UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/47/778
11 December 1992

ORIGINAL: ENGLISH

Forty-seventh session
Agenda item 137

FINANCING OF THE UNITED NATIONS PROTECTION FORCE

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Protection Force (UNPROFOR) (A/47/741). During its consideration of the item, representatives of the Secretary-General provided additional information to the Committee.

2. As recalled in the Secretary-General's report, by its resolution 743 (1992) of 21 February 1992, the Security Council decided to establish UNPROFOR for an initial period of 12 months; the basic concept of the operation called for United Nations troops and civilian police monitors to be deployed in certain areas in Croatia designated as United Nations Protected Areas (UNPAs).

3. As at mid-November 1992, that mandate had been enlarged by seven separate decisions of the Security Council, as enumerated in paragraph 6 of the Secretary-General's report and described in paragraphs 8 to 27. Part III of the Secretary-General's report provides the operational plans associated with each enlargement. In paragraph 49, the Secretary-General summarizes the additional military personnel (military observers, infantry, support units and civilian police) required for the enlargements. The additional civilian staff required for the enlargements are briefly mentioned in paragraphs 38 (b), 51 and 56 of the Secretary-General's report.

4. As recalled in paragraph 5 of the Secretary-General's report, by its resolution 46/233 of 19 March 1992, the General Assembly appropriated an amount of $251,500,000 gross ($250,000,000 net), which it believed would be adequate until October 1992, pending the Secretary-General's submission for additional requirements to the Assembly at its forty-seventh session. No

additional appropriation was sought for the costs (estimated at some $27.1 million gross) associated with the reopening of Sarajevo airport and the monitoring of the "pink zones"; however, in respect of the estimated $30.9 million cost associated with the enlargement relating to border control, the Secretary-General sought and received the Advisory Committee's concurrence to enter into commitments of $10 million in order to meet the most urgent requirements of that enlargement.

5. The Secretary-General estimates expenditures for the period from 12 January to 14 October 1992 at $261,500,000 gross ($260,000,000 net), including the above-mentioned $10 million commitment authorization; in other words, the Secretary-General does not project overall savings or over-runs with respect to the total amount that he has been authorized to spend by appropriations and commitment authorization. However, the allocation of the total amount by object of expenditure reflects changes as shown in annex I to the Secretary-General's report; annex II provides supplementary information in respect of the savings and over-runs experienced in respect of different objects of expenditure (see paras. 11-14 below).

6. The voluntary contributions received by UNPROFOR for the period ending 14 October 1992 are listed in paragraph 58 of the Secretary-General's report. The Committee was informed that subsequently the Government of the United States of America had donated a field hospital as a voluntary contribution to the operation to protect humanitarian convoys in Bosnia and Herzegovina mandated by Security Council resolution 776 (1992). The Committee was informed that the services of the field hospital were available to UNPROFOR as a whole. It is valued at $2.9 million by the United States Department of Defense.

7. The Secretary-General notes in paragraph 57 that as at 31 October 1992 assessments totalling $250,455,801 had been apportioned among Member States in respect of the above-mentioned appropriation while contributions received for the same period amounted to $186,975,292, thus giving rise to a shortfall of $63,480,509. Because of this shortfall, full reimbursement to troop-contributing countries in accordance with the rates established by the General Assembly has not been possible; only $19.3 million has been paid and, as at 14 October 1992, a balance of $64.7 million remained to be paid.

8. The above-mentioned appropriation provides for the financing of UNPROFOR up to 14 October 1992. The Secretary-General estimates the cost of UNPROFOR for the period from 15 October 1992 to 20 February 1993 at $292,811,400 gross ($290,924,100 net); that amount includes $10 million in commitment authorization granted by the Advisory Committee in respect of the maintenance of UNPROFOR during the period beyond 14 October 1992. A breakdown of that amount by budget line is provided in annex IV, supported by supplementary information in annex V.

9. In paragraph 62, the Secretary-General estimates the cost of UNPROFOR for the one-year period from 21 February 1993 to 20 February 1994 at an average monthly rate of $48,112,350 gross ($47,462,350 net).

10. In paragraph 68 the Secretary-General requests the General Assembly to appropriate and apportion $10 million for the maintenance of UNPROFOR for the period from 12 January to 14 October 1992 (see para. 4 above). With respect to the period from 15 October 1992 to 20 February 1993 he requests an appropriation and apportionment of $292,811,400 gross ($290,924,100 net). With regard to the period after 20 February 1993, he requests "provision by means of an appropriation and/or commitment authorization of such amounts as appropriate, should the Security Council decide to continue UNPROFOR beyond that date".

Expenditure from 12 January to 14 October 1992

11. The savings/over-runs incurred in respect of the main objects of expenditure for UNPROFOR during the period from 12 January to 14 October 1992, the explanations for which are contained in annex II to the Secretary-General's report, can be summarized follows:

	Savings/over-runs
	(Thousands of United States dollars)
Military personnel costs	(14 348.6)
Civilian police monitors	1 339.1
Civilian staff	4 101.6
Premises	6 551.2
Air operations	21 701.0
Transport operations	(5 192.6)
Communications	(5 679.6)
Miscellaneous equipment	(14 994.5)
Supplies and services	352.4
Freight and cartage	6 170.0
Support account for peace-keeping operations	-
Integrated Management Information System	-
Staff assessment	-
	-

12. The Advisory Committee notes that in large measure the over-run as regards military personnel costs relates to the authorized increases in such personnel over the strength originally approved. As explained in paragraphs 8 to 11 of annex II, the savings realized as regards civilian staff were attributable to a number of factors: an average vacancy rate of 21 per cent; a decrease in the mission subsistence allowance, lower salary scales for local staff in Zagreb and Sarajevo, including the UNPAs, and the employment of local staff on special service agreements.

13. The Advisory Committee notes from paragraph 13 of annex II that savings for prefabricated buildings resulted from the acquisition of containerized units at a cost less than the original estimated unit cost. However, because the units did not come fully equipped, additional expenses were incurred for such items as accommodation equipment and generators; as discussed in paragraphs 20 and 21 of annex II, these expenses accounted in large part for the substantial over-run experienced under miscellaneous equipment.

14. As shown above, significant savings were realized with respect to air operations; as discussed in paragraphs 14 to 16 of annex II, this was attributable in large part to the fact that only 14 aircraft were actually utilized during the reporting period as opposed to the provision for 30 aircraft. The total of 30 included 26 helicopters; in this connection, the Committee was informed that the use of helicopters in the mission area had proved very dangerous.

Cost estimate of the United Nations Protection Force for the period from 15 October 1992 to 20 February 1993

15. Part I (paras. 1-10) of annex V describes the cost parameters underlying the estimates for the period from 15 October 1992 to 20 February 1993; part II (paras. 11-101) outlines the requirements under each object of expenditure.

16. In this connection, the Advisory Committee notes that the estimates take into account enlargements to the original UNPROFOR mandate and the additional requirements arising therefrom. The Advisory Committee further notes the complexity both of the operation's mandate and of the legislative decisions establishing those mandates. As discussed in the Secretary-General's report of 24 November 1992 to the Security Council (S/24848), not all aspects of the mandate are being fully implemented in the prevailing circumstances. The Advisory Committee notes that the Secretary-General, in preparing his budget estimates, has endeavoured to take this fact into account through the application of, for example, higher vacancy rates for civilian staff and a vacancy factor for military support personnel. The Advisory Committee appreciates these efforts as well as the difficulty in preparing cost estimates in the light of existing uncertainties regarding the implementation of the mandate. That notwithstanding, the Committee makes a number of observations in the following paragraphs regarding the estimate for specific objects of expenditure.

17. The Committee notes from paragraph 2 of annex V that the estimate provides for a total of 15,461 military personnel (infantry, support units and military observers) as compared with the total of 13,240 provided for in the original mandate; the Committee was informed that as at 30 November 1992 a total of 14,569 had been deployed.

18. The total of 15,461 includes 3,468 support personnel; as stated in paragraph 2 of annex V (part I):

"Actual deployment of support units is below the authorized strength ... The cost estimates for troop reimbursement, usage factor, welfare, rations and daily allowance therefore take into consideration a 10 per cent vacancy factor for support personnel."

19. Included in the total of 3,468 support personnel are 320 support units for border control operations. In this connection, the Committee notes that in paragraph 21 of his report to the Security Council (S/24848) the Secretary-General indicated that the implementation of the recommended approach (to border control) had not so far proved possible. However, the Committee was informed that renewed negotiations with the Knin authorities had been scheduled to begin and that it was hoped that progress in that regard would be achieved. The Committee was also informed that the 320 support units for border control had been budgeted as at 1 December 1992, a date that has not proved realistic.

20. The total of 15,461 military personnel also includes 393 military observers, which reflects an increase of 293 over the original approved strength; the table in paragraph 49 of the Secretary-General's report provides a breakdown, by enlargement, of that increase. As shown therein, 80 military observers are required for convoy protection; as indicated in paragraphs 11 and 12 of annex V, an amount of $1,090,800 has been included in the estimate for military observers for the mission subsistence allowance for the 80 observers; $136,000 has been included in travel costs.

21. The enlargement of UNPROFOR's mandate and strength to provide protection for humanitarian relief convoys is discussed in paragraphs 19, 20, 36 to 38 and 54 to 56 of the Secretary-General's report (A/47/741). As stated in paragraph 54:

"The enlargement of UNPROFOR's mandate and strength to provide protection for humanitarian relief convoys is to be financed entirely by voluntary contributions. Contingent personnel and related logistic support will be provided by troop-contributing Governments at no cost to the United Nations. A trust fund is to be established to receive contributions for the expenses of UNPROFOR in respect of the Bosnia and Herzegovina Command (BHC). The fund will meet expenses of the 'common costs' portion of UNPROFOR BHC and will be managed by the United Nations in accordance with its Financial Regulations and Rules."

22. The Secretary-General goes on to define UNPROFOR BHC "common costs" and to state that the cost of 80 military observers and 112 civil affairs and administrative support staff are not expected to be met from the trust fund; consequently provision has been included in the cost estimates.

23. The Advisory Committee recalls that in his report to the Security Council (S/24540) of 10 September 1992, the Secretary-General presented proposals on how the delivery of humanitarian assistance to Sarajevo and other parts of Bosnia and Herzegovina could be facilitated through the provision of protective support by UNPROFOR. That report and concept of operations was approved by Security Council resolution 776 (1992).

24. As recalled in paragraph 31 of the Secretary-General's subsequent report (S/24848), to carry out this task:

> "it was decided to establish within UNPROFOR a new Bosnia and Herzegovina Command (BHC), at the two-star level. BHC would consist of Sector Sarajevo, which would continue to perform the tasks arising from the 5 June airport agreement, as authorized by resolutions 758 (1992) and 761 (1992), and four new zones, the precise locations of which would be determined after reconnaissance of the terrain and further consultation with UNHCR."

25. In submitting his proposals to enlarge UNPROFOR's mandate to provide protection to UNHCR in its efforts to deliver humanitarian relief in Bosnia and Herzegovina, the Secretary-General stated that he had made it clear that his recommendation to the Security Council for UNPROFOR's mandate to be enlarged so as to provide such support "would be based on the assumption that all such resources would be provided at no cost to the United Nations and that the contributing countries, or other Member States on a voluntary basis, would cover the additional administrative expenses which would be incurred by the United Nations". Moreover, the Secretary-General also stated (S/24540, para. 17) that it would be necessary to confirm that sufficient funds were available from those sources before any additional troops could be put in place.

26. Notwithstanding that assumption, the Secretary-General subsequently reported to the Security Council in his further report of 24 November (S/24848) that:

> "The Member States which agreed to contribute military personnel, equipment and logistic support for BHC at no cost to the United Nations have been unwilling to accept that the common costs of BHC, which they have agreed to finance, should include the costs of the military observers and United Nations civilian personnel. As a result it has not yet been possible to deploy adequate military observer and civilian personnel to BHC."

He goes on to state that because this lack of financing has "deprived BHC of experienced United Nations personnel to guide it in these matters during its initial deployment", he has "decided to recommend to the General Assembly that BHC's requirements for civilian staff and related support should be provided through assessed contributions levied on all Member States" (para. 50). Consequently, as indicated in paragraph 22 above, such provision has been included in the cost estimates.

27. The Advisory Committee discussed this issue at some length with representatives of the Secretary-General; at its request, it also received information in respect of the budget for the "common costs" expected to be met from the trust fund. In this connection, it notes that a one-year cost estimate of the common costs to be borne by the trust fund totals $62.6 million. As mentioned above, the fund will be managed by the United

Nations in accordance with its Financial Regulations and Rules. In keeping with its oft-stated position regarding the administration of extrabudgetary funds, the Advisory Committee is also of the view that the Fund should be scrutinized and examined on a regular basis; the Committee intends to follow up on this matter.

28. The Advisory Committee appreciates the difficulties confronting the Secretary-General and his desire to provide the necessary protective support. With regard to the Secretary-General's present proposal, the Committee points out that, as cited above, the Secretary-General stated that the enlargement of the mandate to provide protective support to UNHCR convoys would be at no cost to the United Nations; that is, it would avoid the imposition of additional financial burdens on the Organization. That enlargement and the underlying financing assumptions were approved by the Security Council.

29. In response to inquiries, the Committee was informed that for the period from 1 December 1992 to 20 February 1993 the cost of the 80 military observers and 112 civilian staff (as well as the related charge to the support account for peace-keeping on the basis of that cost) amounted to $2,761,900 gross ($2,610,200 net). That amount takes into account the application of the 35 per cent vacancy rate applied to the estimates (see para. 16 above). As stated in paragraph 11 of annex II, 50 of the 80 observers had arrived in the mission area as at 15 October 1992; the cost estimates provide for the remaining 30 beginning 15 December 1992. The corresponding figure for the period from 21 February 1993 to 20 February 1994 amounts to $12,573,900 gross ($11,640,200 net).

30. In the circumstances, the Committee is of the view that no clear basis exists for these costs to be included in the estimate. At the same time, as indicated in paragraph 24 above, the Committee would like to bring to the attention of the General Assembly that in view of the fact that other tasks are performed by BHC arising from Security Council resolutions 758 (1992) and 761 (1992), it may be somewhat difficult to attribute the functions of the 80 military observers and the 112 civilian staff exclusively to the mandate approved by Council resolution 776 (1992). Simply stated, although the UNPROFOR operation has been entrusted with a series of mandates, the Secretary-General must manage them in an integrated manner, using all available resources.

31. The requirements for contingent personnel are outlined in paragraphs 14 to 20 of annex V. In this connection the Advisory Committee notes that the amount budgeted for usage factor includes a reduction of $1,205,500 for winter clothing for one third of the contingent personnel, since provision for winter clothing (for those battalions originating from tropical countries) has been included under supplies and services.

32. As stated in paragraph 3 of annex V, the estimates provide for a total of 699 civilian police monitors; this compares with a total of 528 approved for the original mandate of UNPROFOR. In response to inquiries the Committee was informed that a total of 617 had been deployed and that that number was in fact considered adequate, that is, that the estimate was overstated.

33. As stated in paragraph 4 of annex V, the estimates provide for a total of 519 international civilian staff (225 Professional and above, 88 Field Service, 206 General Service and 876 local staff). In addition 216 international technical and trades personnel are to be engaged on a contractual basis (see para. 41 below). The Advisory Committee notes that a 35 per cent vacancy rate has been applied in the estimate for the 519 international civilian staff, while the estimate for the local staff has been calculated on the basis of a 20 per cent vacancy rate.

34. The provision for 519 international civilian staff and 876 local staff compares to the original approved staffing table of 258 international staff and 272 local staff. In response to inquiries, the Committee was informed that as at 1 December 1992, 250 international staff were in place while the services of 485 local staff had been secured.

35. As stated in paragraph 26 of annex V, the total of 519 international staff reflects an increase of 261 posts, while the number of local level posts proposed represents an increase of 604 posts. Annex VII contains the proposed staffing table of the mission.

36. The Advisory Committee notes that the Secretary-General's proposals regarding international civilian staff include the upgrading of the post of Force Commander from the Assistant Secretary-General level to the Under-Secretary-General level and the upgrading of the post of Director of Civil Affairs from the D-2 level to the Assistant Secretary-General level. With regard to the latter, the Secretary-General also has come to the conclusion that the post should be renamed Deputy Chief of Mission.

37. The Secretary-General's justification for upgrading the posts of the Force Commander and the Deputy Chief of Mission is contained in paragraphs 27 to 30 of annex V. The Advisory Committee concurs in the proposed reclassifications.

38. The Advisory Committee regrets that more detailed explanations regarding the increase in civilian staff were not provided in the Secretary-General's report; it trusts that future reports will provide full information on staff increases. The Committee was informed that the increase of 261 international and 604 local civilan posts, that is, 865 posts, included 206 additional posts for civil affairs, 546 additional administrative posts and 112 posts related to the protection of humanitarian relief convoys in Bosnia and Herzegovina (see paras. 22-30 above). Of the new posts for civil affairs, 140 relate to border crossing activities and 52 to an expanded information component. Eighty-five per cent of the additional posts proposed under administration are for sector administration, that is, staff who will be deployed in the five sectors of the mission, including 400 locally recruited interpreters.

39. As mentioned above, 250 international staff had been deployed as at 1 December 1992. In response to inquiry, the Committee was informed that another 50 staff had been selected or were in the process of travelling to the mission area. In addition, the selection of a number of personnel (on a

secondment basis) from interested Governments was also in its final stages. The Committee was also informed that if agreement was reached with the parties concerned as regards the border crossing activities (see para. 19 above), there would be a significant increase in the number of staff who would be deployed to the mission area.

40. Notwithstanding the above, and bearing in mind the acknowledgement of representatives of the Secretary-General that it has been difficult to obtain civilian staff with the necessary expertise, the Committee questions whether in fact all of the funds provided for staff costs will in fact be needed; it therefore requests that a detailed accounting on this matter be included in the Secretary-General's next performance report.

41. As mentioned above, provision has been made for the hiring on contract of 216 international technical and trades personnel. As stated in paragraph 90 of annex V, and as confirmed by representatives of the Secretary-General, that hiring has been done "to make up the shortfall in Field Service and General Service technical and administrative support staff". The budgeted amount, $1,492,500, includes wages, transportation, insurance and food allowance. The Advisory Committee notes from paragraph 5 of annex V that those personnel do not receive mission subsistence allowance. The Committee was also informed that the costs for the contractual personnel were significantly less than those for Field Service and General Service staff. That being the case, the Advisory Committee is of the view that recourse to contractual services should also be sought, where appropriate, in other peace-keeping operations.

42. As mentioned above, mission subsistence allowance is not paid to contractual personnel; it is, as stated in paragraph 5 of annex V, paid to all military observers, civilian police monitors and international civilian staff. The Committee inquired about the rates shown in paragraph 5 and was informed that they were based on a survey conducted in November 1992. The Advisory Committee urges the Secretary-General to keep the matter under review.

43. The question of premises is discussed in paragraphs 36 to 46 of annex V; as stated therein, UNPROFOR has to provide accommodation for 15,068 contingent personnel as well as 216 international contractual staff. The Advisory Committee notes that because the host Government is not able to provide most of the premises required (for either accommodation and office space), provision has been made for both rental and maintenance of premises and the acquisition of prefabricated buildings.

44. The Advisory Committee sought information regarding the number of personnel for whom accommodation has been provided by the Government or through rental of premises. That information, which was not available at the time of its meeting with representatives of the Secretary-General, would, in the Committee's view, have facilitated its consideration of the request for prefabricated buildings. The Committee trusts that such information will be provided in a clear manner in the Secretary-General's next performance report.

45. Transport operations are discussed in paragraphs 57 to 65 of annex V; this includes the acquisition of vehicles (the unit cost of which appeared high to the Committee in comparison with the estimates contained in the Secretary-General's previous report (A/46/236/Add.1)), as well as, inter alia, provision for repair, maintenance and spare parts, and petrol, oil and lubricants.

46. The Advisory Committee notes from paragraph 62 that "a 5 per cent reduction has been made for off-road vehicles". Given the local conditions in the mission area, the Advisory Committee is of the view that this may be an optimistic projection.

47. With regard to the maintenance of contingent-owned vehicles, also discussed in paragraph 62, the Secretary-General estimates the monthly cost of third line maintenance and major accident/hostility damage repairs at $400 per vehicle. In response to inquiries, representatives of the Secretary-General informed the Committee that although the mission's transport unit evaluated requests for such repairs, a number of uncertainties persisted that complicated that evaluation and verification. However, efforts were being made to address the problem.

48. The Advisory Committee discussed the question of communications at length with representatives of the Secretary-General. As stated in paragraph 68:

> "At present UNPROFOR's communication link to all areas of operations is by INMARSAT terminal provided by the signal battalion at an estimated operational cost of $1 million per month. When UNPROFOR's own fixed-lease satellite network becomes operational in March 1993, the mission will realize a savings of $975,000 a month as the estimated cost to operate UNPROFOR's own fixed-lease satellite network is estimated at $25,000 per month."

The Advisory Committee welcomes this development.

Cost estimate of the United Nations Protection Force for the period 21 February 1993 to 20 February 1994

49. In annex VI, the Secretary-General notes that the cost estimate for the period from 21 February 1993 to 20 February 1994 has been calculated on the same basis as that for the period from 15 October 1992 to 20 February 1993, with the exceptions he enumerates. As shown in annex IV, total requirements for the period are estimated at $577,348,200 gross ($569,548,200 net).

Conclusions

50. Bearing in mind its observations in paragraph 30 above, the Advisory Committee recommends that the General Assembly approve an appropriation and apportionment thereof in the amount of $290,049,500 gross ($288,313,900 net)

for the period from 15 October 1992 to 20 February 1993. While, as indicated in the preceding paragraphs, there may be scope for additional economies, the Advisory Committee, bearing in mind the uncertainties that prevail, does not recommend a further reduction at this point. With regard to the period after 20 February 1993, the Committee recommends that the Secretary-General be given commitment authorization for seven months, that is for the period from 21 February to 20 September 1993, in the amount of $47,064,525 gross per month ($46,492,334 net).